Independent Directors in Banks

2624. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) the details of Independent Directors appointed by Government to various Nationalised Banks in the country during the last two years;

(b) what is the criteria adopted in appointing Independent Directors on the Boards of various Nationalised Bank;

(c) what is the qualification to become an Independent Director of a Nationalised Bank;

(d) whether all the Independent Director so appointed are fulfilling the requisite qualifications; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Government has appointed twenty-nine part-time non-official Independent Directors on the Board of various Nationalised Banks under section 9(3)(h) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 during the last two years, as per details given in the Statement—(See below).

(b) and (c) The criterial adopted and the qualification required for appointment of non-official part-time Directors on the Board of Directors of Nationalised Banks is given in the Statement—II (See below).

(c) and (e) All the Directors so appointed fulfil the requisite qualifications. However, wherever any relaxation in age or educational qualification is required, approval of the Appointments Committee of the Cabinet has been obtained as per the prescribed guidelines given in the Statement—II.

Statement—I

Part-time non-official Directors nominated under Section 9(3) (h) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 during the last two years

Sl. No.	Name of the Bank	Name of the Director
1	2	3
1.	Andhra Bank Bank of	Dr. K. Anjanappa Mrs.
2.	Baroda	Masarrat Shahid

1	2	3
3.	Bank of Baroda	Sh. Maulin A Vaishnav
4.	Bank of India	Dr. (Smt.) Prabha K Taviad
5.	Bank of India	Smt. Shantaben Chavda
6.	Bank of Maharashtra	Sh. A. Ali Azizi
7.	Bank of Maharashtra	Sh. Rajeev Krishna Deshpande
8.	Canara Bank	Sh. Shabbir Pasha
9.	Canara Bank	Sh. Pankaj Gopalji Thakkar
10.	Central Bank of India	Sh. Kamal Faruqui
11.	Central Bank of India	Maj.(Rtd.) Ved Prakash
12.	Central Bank of India	Sh. Harish Chandhok
13.	Central Bank of India	Smt. Satya Behn
14.	Central Bank of India	Sh. Romesh Sabharwal
15.	Indian Bank	Sh. G. Charath Chandran
16.	Indian Bank	Smt. Nafisa Ali Sodhi
17.	Indian Bank	Sh. Ponguleti Sudhakar Reddy
18.	Indian Overseas Bank	Sh. Sooraj Prakash Khatri
19.	Indian Overseas Bank	Sh. M.N. Kandaswamy
20.	Punjab & Sind Bank	Maj. Ms. Krishna Mohini
21.	Punjab & Sind Bank	Sh. Harcharan Singh Josh
22.	Punjab & Sind Bank	Shri Umesh Kr. Sharma
23.	Punjab & Sind Bank	Renu Nagar Poswal
24.	Syndicate Bank	Shri Vinay Kumar Sorake
25.	UCO Bank	Sh. Nirmal Khatri
26.	UCO Bank	Ms. Omen Moyang Deori
27.	Union Bank of India	Shri V.M. Sudheeran
28.	United Bank of India	Sh. Abdur Rashid
29.	United Bank of India	Sh. PC. Zoram Sangliana

Statement—II

Guidelines for selection of part-time non-official Director on the Board of Directors of Nationalised Banks.

The following criteria may be adopted for nomination of part-time non-official Directors (NOD) on the Boards of Public Sector Banks/Financial Institutions etc.

(I) GENERAL

1. Nominations will be made keeping in view the provisions of the relevant Acts/Rules.

2. The suitability of nominees may be assessed in terms of formal qualification and expertise, track record, integrity etc. For assessing integrity and suitability, information on criminal records, financial position, civil actions, undertaken to pursue personal debts, refusal of admission to or expulsion from professional bodies, sanctions applied by regulators and similar bodies and previous questionable business practices etc. will be relied upon.

3. Persons with special academic training or practical experience in the fields of agriculture, rural economy, banking, cooperation, economics, business management, human resources, finance, law, marketing industry and IT will ordinarily be considered.

4. As far as possible representation may also be given to women and the persons belonging to SC/ST community.

(II) EDUCATION

1. an NOD should at least be a graduate, Educational qualifications may be relaxed with the approval of ACC in case of farmers, depositors and artisans.

(III) AGE

1. The age of the Director, on the date of recommendation by Appointments Board, *should not be less than 40 years and preferably below 60 years.* The upper age limit may be relaxed in case of outstanding experts, eminent persons.

(IV) WORK EXPERIENCE

1. Professionals/academicians *should ordinarily have 10 years of work experience* in the particular field.

(V) DISQUALIFICATION

1. A Director already on a Bank/FI, under any category, may not be considered for nomination as NOD on any other Bank/FI.

2. Persons connected with hire purchase, financing, investments, leasing and other para-banking activities, MPs, MLAs, MLCs, and Stock Brokers will not be appointed as non-official Directors
' on the Boards of Banks/FIs

3. No Person may be re-nominated as a NOD on the Board of a Bank/ Fl on which he/she has served as Director in the past under any category for two terms or six years whichever is longer.

4. An NOD would not be considered for nomination as a Director on the Board of a Bank/FI if such Director has already been a NOD/shareholder-Director on the Board of any other Bank/FI for six years, whether continuously or intermitently.

(VI) PROFESSIONAL RESTRICTION

1. NOD will not accept/will not be allotted any work of the Bank/FI for two years after demitting office as Director of that Bank/FI.

2. During his term as NOD on any Bank, such Director will not undertake any professional work (statutory audit, concurrent audit, legal retainership or empanelment as a lawyer etc.) in any other Public Sector Bank.

3. If a person having professional relationship with Bank, including Cooperative Banks, is selected for being nominated on the Board of any Bank, he will have to server his connection with the Bank before such appointment.

4. Professionals shall not be nominated on the Board of a PSB with which, they have had a business relationship during the last 3 years before such nominations

(VII) REGIONAL REPRESENTATION

Effort should be made to ensure representation of all the six zones of the country-North, South, East, West, Central and North-East-on the Boards of Public Sector Banks taken together.